

***State of New Jersey***  
***Office of the Inspector General***

Mary Jane Cooper, Inspector General



**The New Jersey Department of Transportation**  
***Employee-Assigned Equipment Review***

**September 21, 2006**



State of New Jersey

OFFICE OF THE INSPECTOR GENERAL  
PO Box 208  
TRENTON NJ 08625-0208

JON S. CORZINE  
Governor

MARY JANE COOPER  
Inspector General

September 21, 2006

Honorable Jon S. Corzine  
Governor, State of New Jersey  
State House  
P.O. Box 001  
Trenton, New Jersey 08625

Dear Governor Corzine:

Enclosed is a copy of the report the Office of the Inspector General (OIG) has prepared at Commissioner Kris Kolluri's request to assist his department in examining whether the Department of Transportation's (DOT) resources were being used efficiently. The attached report details our review of the DOT's current utilization, assignment and accounting of information technology equipment and state assigned vehicles.

As required by OIG statute, a copy of this report has been sent to Senate President Richard Codey, Assembly Speaker Joseph Roberts and Commissioner Kolluri under separate cover.

I am available to discuss this report with you at any time.

Very truly yours,

A handwritten signature in black ink, appearing to read "Mary Jane Cooper".

Mary Jane Cooper  
Inspector General

Cc: Senate President Richard Codey, New Jersey State Senate  
Speaker Joseph Roberts, New Jersey State Assembly  
Kris Kolluri, Commissioner, New Jersey Department of Transportation  
Stuart Rabner, Chief Counsel, Office of the Governor

## **PURPOSE AND SCOPE OF REVIEW**

**Prepared by**

**THE OFFICE OF THE INSPECTOR GENERAL**

**For**

**KRIS KOLLURI**

**COMMISSIONER OF THE DEPARTMENT OF TRANSPORTATION**

Early in his tenure as Commissioner of the New Jersey Department of Transportation (DOT), Commissioner Kris Kolluri requested that the Office of the Inspector General (OIG) assist in DOT's effort to determine whether DOT's assets were being used efficiently. Specifically, the Commissioner requested that OIG review the assignment of communication devices to DOT employees and establish a consolidated inventory, including cell phones, BlackBerry's, laptop and desktop computers and identify those individuals to whom multiple devices are assigned. This list can be used by appropriate DOT managers to evaluate the efficiency of the assignments of these devices to current and new DOT employees to obtain the maximum benefit for DOT.

The Commissioner also requested that OIG assist DOT in determining whether DOT mileage reimbursement for use of personal vehicles as an alternative to utilization of State vehicles has been appropriate or excessive.

OIG agreed to review and analyze DOT records as requested and utilized the most current data DOT provided. By means of this draft report, OIG is providing to the Commissioner the results of the analysis performed at his request.

The analysis revealed some overlap in the issuance of computers and communication devices:

- 138 DOT employees were issued both a laptop and a desktop computer;
- 326 DOT employees have been issued more than one communication device (a cellular telephone, calling card, BlackBerry and/or a pager).

OIG did not attempt to determine whether an individual's job warranted the assignment of multiple computers or communication devices. However, OIG analysis can provide the basis for a DOT internal inquiry to justify the assignment of equipment.

When analyzed, the information provided by DOT regarding mileage reimbursement demonstrated some potential inefficiency based purely on the numbers. For example:

- During the last calendar year, 37 DOT employees were reimbursed for more than 15,000 miles and 91 were reimbursed for more than 10,000 miles.

DOT has determined that it is more efficient for employees to use available State owned vehicles for DOT business rather than submit for mileage reimbursement. OIG did not attempt to determine whether employees' job responsibilities warranted the miles traveled. However, facially, the statistics raise questions regarding the excessive use of personally owned vehicles and mileage reimbursement.

During the course of our review, Commissioner Kolluri moved to correct potential overuse of mileage reimbursement by adopting a policy requiring a supervisor to authorize mileage reimbursement only when a State owned vehicle is not available for use by the employee. In addition, he put in place a task force to oversee the implementation of the new policy.



From March 17, 2006 through June 9, 2006, the Office of the Inspector General (OIG) met with individuals from the New Jersey Department of Transportation (DOT) management team and reviewed documents provided by DOT relating to the issuance of equipment to DOT employees and the Motor Vehicle Commission (MVC). This review included the following items:

- Pagers
- Cell Phones
- Computers
- BlackBerrys
- Air Cards
- Vehicles

#### **A. Electronic Communication Devices**

DOT has issued electronic communication devices including pagers (both numeric and alpha numeric), cell phones and BlackBerrys, and has had the DOT Office of Information Technology (DOT-IT) issue computer air cards (a wireless computer connection) to certain DOT and MVC employees.

DOT Policy/Procedure No. 349 "NJDOT Cellular Phones" addresses the assignment of cellular phone equipment. This DOT policy states "cellular phones will be assigned to those employees whose job functions require that they maintain constant contact with their respective work locations and who might not have access to other forms of communication;" that cell phones "will be issued to those employees who have demonstrated a need;" that issuance of cell phones "will require Director, Assistant Commissioner, Commissioner (or designee) and Treasury approvals;" and that if an employee severs employment with DOT, the cellular phone is returned to the Bureau of Network Operations and Telecommunications.

According to the DOT Assistant Commissioner responding to our inquiry, air cards and Blackberrys, although not specifically referenced in DOT Policy/Procedure No. 349, are treated the same way as cellular phones. If a DOT employee requests and has demonstrated a "functional need" for an air card or Blackberry, the employee's Bureau Manager or a higher level supervisor makes the request to DOT-IT on behalf of the DOT employee. DOT-IT then provides the device. The Assistant Commissioner also stated that providing Blackberrys to DOT staff is more restricted than air cards because there are limited job functions and position levels that are permitted to obtain them.

There is a DOT Operational Bulletin concerning pagers which establishes "a uniform method of acquiring, reporting the usage and loss of Pagers." A request for a pager is "submitted by the Supervisor of the Unit to the Chief, Bureau of Equipment," with "justification and concurrence of the Division Director." The DOT Chief, Bureau of Equipment, approves the requisition.

OIG compiled a master list of communication devices from several inventories provided by DOT. OIG analyzed the data to identify the DOT employees to whom each of these devices was issued, the individual's assignment or workstation, the identification number of the device, the yearly cost associated with the use of each device, and to determine individuals to whom more than one device is issued. That information was provided to DOT for their further review and determination as to the appropriateness of the communication device assignments.

***For consideration:*** A file review for policy/procedure compliance by DOT can provide assurance that the proper documented authorizations exist to support the issuances of this equipment.

## **B. Computers**

DOT Policy/Procedure No. 356 "Assignment of Desktop Personal Computers" (PC) addresses the assignments of desktop personal computers. This policy states that "a manager or above of an office, bureau, or division must approve the assignment of a Personal Computer for an employee;" that PC assignments, due to changing work demands, may require upgrading in order to continue serving DOT's business needs; that the DOT-IT "will make the determination if a PC replacement or upgrade is required to support the business function;" and that the assigned PC must be returned to DOT-IT when an employee separates from DOT.

The DOT Assistant Commissioner responding to our inquiry stated that historically most DOT employees were provided with a desktop computer. However, if an employee became part of the Business Continuity Team, Emergency Operations Team, Homeland Security Office, or DOT-IT troubleshooting the employee should have been provided with a laptop computer. The Assistant Commissioner also stated that in addition to these DOT employees, in accordance with DOT Policy/Procedure No. 356, if job function necessitates a laptop computer, one can be provided with special approval from the employee's Bureau Manager.

A DOT memorandum from the Chief Financial Officer (CFO) to an Assistant Commissioner dated March 28, 2006, indicates that DOT provides new employees either a desktop or laptop computer, but not both. In a follow up email from the CFO to an Assistant Commissioner, the CFO explained that the policy allowing for a choice between desktop and laptop is not in writing. The CFO further explained the request for the laptop computer comes from an employee's Bureau Manager and the employee may express a preference, but the decision is made by the Bureau Manager.

OIG analyzed documents obtained from DOT. The analysis revealed that 168 DOT employees have been issued laptop computers only, but that an additional 138 individuals have been issued both a desktop and laptop computer. The March 28, 2006, memorandum further explains that the issuance of a laptop and desktop to employees is necessary because certain "on call" employees must be available to respond to "various

types of emergencies and other non-planned events” when away from their workstation. OIG’s analysis revealed that seven individuals have been issued more than one desktop or laptop.

The DOT was provided with details of the individuals to whom both desktop and laptop computers were issued, the individual’s assignment or workstation, and the identification number of the laptop computer for further review and determination as to the appropriateness of the assignment.

***For consideration:*** A file review for policy/procedure compliance by DOT can provide assurance that the proper documented authorizations exist to support the issuances of this equipment. Further, if an employee is deemed to require both a desktop and a laptop, consideration should be given to issuing a docking station instead of both the desktop and laptop.

### **C. Mileage reimbursement**

According to documents provided by DOT, dated March 28, 2006, DOT has approximately 650 available vehicles, some of them special use vehicles, for use by employees when conducting State business. DOT has concluded that it is more efficient to require employees to use these vehicles than to have employees use their personally owned vehicles and submit for mileage reimbursement. Until recently, DOT Policy/Procedure No. 346 “Reimbursable Mileage of a Private Vehicle” addressed the requirement to obtain authorization to use a privately owned vehicle on a mileage reimbursement basis when conducting State business. This policy required that written approval by the appropriate Manager or Director/Executive Director be obtained prior to requesting any mileage reimbursement.

New DOT Policy/Procedure No. 109, “Vehicle Assignments and Vehicle Mileage Reimbursement,” promulgated by the Commissioner became effective May 5, 2006. This policy addresses individually assigned vehicles, pool vehicles, “Division pool vehicles” and vehicle mileage reimbursement. Policy No. 109 adds a requirement that differs from the old policy in stating: “vehicle mileage reimbursement will only be approved when a satisfactory pool or individually assigned vehicle is unavailable for use” and specifically states that the “use of a personally owned vehicle on a mileage basis is not permitted where a satisfactory State-owned vehicle is available.” Policy 109 references a DOT “Vehicle Assignment and Mileage Reimbursement Task Force” which was formed by the Commissioner during the first week of May 2006. This Task Force is charged with the implementation and compliance oversight of this policy.

Based on the documents provided by DOT for the calendar year 2005, a list of the employees who were reimbursed for the use of their personal vehicles for more than 500 business related miles was compiled. (The 500 mile level was used as the starting point because the amount of money paid in reimbursements to DOT employees who drove less than 500 miles for State business was de minimus.) DOT was provided with the list of

the employees who received the mileage reimbursement, the budget centers charged, the last four digits of the employee's Social Security number, the total mileage for which the individual was reimbursed, and the amount of reimbursement. Our analysis revealed that 542 employees were reimbursed for driving their personal vehicles for State business over 500 miles. These employees sought reimbursement for a total of 2,989,377 miles amounting to \$926,706.87 (at .31 cents per mile). Included in those 542 employees were 37 employees who were reimbursed for more than 15,000 miles, 91 employees who were reimbursed for driving more than 10,000 miles, and two employees reimbursed for mileage under two different social security numbers. There were also 21 employees reimbursed for mileage over 500 miles in a calendar year who had also been assigned a state vehicle as of March 28, 2006.

It has been represented by an Assistant Commissioner and the DOT CFO that at least 90% of the vehicle mileage reimbursements are related to Federal highway projects and are charged back to the Federal government.

***For consideration:*** With the implementation of the new DOT Policy/Procedure No. 109, a mechanism to capture the costs associated with either an assigned vehicle or a utilized pool vehicle by a DOT employee working on a Federal highway project will be needed to ensure that DOT is properly compensated by the federal government for use of their vehicles.

#### **D. Motor Vehicle Commission Equipment**

Until approximately 18 months ago, MVC was part of DOT and approximately 296 DOT communication devices had been issued to MVC employees by DOT. MVC has separated from DOT and for the past 18 months, DOT has been transitioning administrative costs of these devices to MVC. At the time the DOT documents were received, there were approximately 22 MVC employees who had received more than one communication device. According to the DOT CFO, although the transition is not fully completed, the DOT is currently incurring a minimal expense of \$5,760 per year, for seven MVC devices.

Information was provided to DOT for their further review, including the name of the MVC employee to whom each of these devices was issued, the individual's assignment or workstation, an identification number for each device, the monthly and yearly cost associated with the use of each device, and individuals to whom more than one device is issued.

#### **E. Severance of Employment**

DOT Policy/Procedure No. 503 addresses all employees of DOT who intend to resign or are about to be discharged. The policy states that all DOT property must be returned to DOT and Form PR-58 must be completed by the DOT employee's immediate supervisor

after obtaining the required clearances. Form PR-58 is then sent to the Director of Human Resources for inclusion in the employee's inactive file. The DOT Assistant Commissioner responding to our inquiry indicated that this policy/procedure is adhered to and that the employee's final paycheck will not be released until all aspects of this policy/procedure are met.

***For consideration:*** A file review for policy/procedure compliance by DOT can provide assurance that this policy is being followed and DOT equipment is being returned to DOT.